

Durango School District 9-R
Memorandum

TO: Board of Education
Durango School District 9-R

FROM: Laine Gibson, Chief Financial Officer

DATE: June 14, 2012

SUBJECT: 2012-13 Budget

The recommended budget for 2012-13 reflects the board's commitment to utilizing its resources according to the district's strategic plan. Even though there is a decrease in resources from the State for the 2012-13 budget year, the goal of the budget is steadfast: use resources to provide the best educational opportunities to students attending 9-R schools that the funding will allow.

The budget for 2012-13 estimates the district will receive approximately \$378,124 less in State Finance Act revenues for the 2012-13 fiscal year than the budget for the 2011-12 fiscal year. The budget is based on an estimate of 49 less students next year, which because the district has been able to average student count over the last several years will equate to a 75.7 drop in funded student count. This drop in funded student count makes up the majority of the reduction in State funding. The interest rate the District has been receiving on its bank account also dropped.

Schools and most departments made at least a 20% reduction to their non-salary budgets. These cuts amounted to about \$710,000. With the drop in enrollment over the last couple of years, the district reduced a net of 7 teaching positions and 2 custodial positions. The staff reductions came at the secondary level. These reductions in staffing saved over \$480,000. The budget includes a .9% increase in retirement payments and an 8% increase in the cost of health and dental insurance. Also included in the proposed budget is a step raise for all staff which will cost about \$540,000. To help offset some of the cost of this increase staff gave up one general/sick leave day, reduced the payout for sick leave from 100% to 75% of the substitute rate, and increasing the number of days an employee has to accrue before they are paid out for accrued sick leave to a minimum of 40 days. The budget also includes funding for a full time Public Information Officer.

With the passage of the mill levy override (3A) in November 2010, the district is in a better position than most districts in the State. With this additional \$3.2 million the district was able to improve the salary schedules for all staff (to become more competitive with our comparable districts), maintain the current class sizes, increase internet connection speeds at the elementary schools and continue the process of bringing innovative programs to our schools.

It is anticipated the 3A mill levy override funds will be expended in the following ways: 1) \$1.3 million was used to improve all salary schedules. Once this was done the \$1.3 million is needed every year to maintain the schedules and is not available for future use. 2) \$1.5 million is being used to maintain current class sizes. Without this funding the district would have looked at increasing class size as a component of balancing the budget. 3) \$400,000 is used to improve technology and continue the support of innovative programs.

The Finance Advisory Committee (FAC) continues its work to assess the critical financial needs of the district. It has been recommended that the district analyze the budget, starting in July, 2012 to align the budget with the priorities of the district with the goal of balancing the operating expenditures to the operating revenues of the district. During this process there may be some programs the district has been doing that will no longer be funded.

Thanks to the Board, FAC, and community for input into the budget process.

Durango School District 9-R
 General Fund (Fund 10)
 Statement of Revenues
 Actual and Budget
 for the years ended 6/30/11, 6/30/12 and 6/30/13

	2011 Actual	2012 Amended Budget	2013 Recommended Budget
Student Full Time Equivalent Funded Pupil Count Per Pupil Revenue	4,351 4,506.70 6,422.46	4,236 4,446.00 6,327.30	4,187 4,370.30 6,350.38
Current Property Tax	10,867,444	10,331,951	10,569,043
Specific Ownership Tax	1,184,659	969,920	999,018
State Equalization	18,143,834	16,829,319	16,185,005
Subtotal	30,195,937	28,131,190	27,753,066
Property Tax-Hold Harmless	2,621,262	2,621,262	2,621,262
Property Tax-Mill Levy Override	5,602,475	5,600,000	5,600,000
Delinquent Taxes	45,229		
Payment in Lieu of Taxes			
Hold harmless Kindergarten funding	40,458	42,000	40,000
Additional Specific Ownership Tax	722,327	720,000	720,000
Forest Service Reserve	355,186		170,000
Small Attendance Center	96,065	90,000	80,000
Earning on Investment	116,468	100,000	74,598
Other Revenue	287,946	260,000	260,000
County Mineral Leases	34,504	40,000	40,000
Vocational Education	72,517	12,430	12,430
Transportation	279,920	265,000	265,000
English Language Learners	19,576	15,000	19,000
BOCES SWAP passthru		100,820	100,820
Rental Income	50,000	50,000	50,000
Donation		180,000	
Total General Fund Revenue	<u>40,539,870</u>	<u>38,227,702</u>	<u>37,806,176</u>

Durango School District 9-R
 General Fund (Fund 10)
 Actual and Budgeted Expenditures
 for the years ended 6/30/11, 6/30/12 and 6/30/13

	2011 Actual	2012 Amended Budget	2013 Recommended Budget
Elementary Schools			
Sunnyside	974,919	1,065,856	1,106,988
Florida Mesa	1,585,537	1,730,384	1,836,298
Ft. Lewis Mesa	912,521	990,128	962,154
Animas Valley	1,320,360	1,439,620	1,478,996
Needham	2,188,249	2,310,064	2,349,181
Park	2,096,712	2,342,042	2,501,051
Riverview	2,326,880	2,434,197	2,417,941
Subtotal Elementary	<u>11,405,178</u>	<u>12,312,291</u>	<u>12,652,609</u>
Middle Schools			
Miller	2,655,724	2,655,625	2,489,621
Escalante	2,786,105	2,914,794	2,942,645
High School			
Durango High School	5,552,881	6,174,988	5,682,258
Big Picture	325,756	419,044	465,748
Other Instructional			
Other Instruction-bubble class staff		160,000	
Phoenix Program	76,023	88,275	91,679
Shared School	183,080	223,114	227,642
Detention Center	175,199	228,797	217,771
Summer School	41,253	25,852	26,041
Post Secondary	105,810	60,016	60,016
Gifted and Talented	8,718	11,732	11,732
Homebound	4,086	20,795	15,951
Projects supported by donation		30,000	
Bad Debt	(1,705)		
District mileage reimbursement	1,039		1,500
BOCES eSchool		57,100	57,100
Strategic Planning			228,830
Adult Education	355,526	355,115	349,000
Subtotal All Schools	<u>23,674,673</u>	<u>25,737,538</u>	<u>25,520,143</u>
Central Office			
Board	225,812	232,337	231,557
Superintendent	348,711	360,570	360,869
Finance Office & Courier	480,433	527,655	533,670
Educational Technology	794,439	841,295	866,665
Student Information System	148,004	168,095	174,595
Human Resources	284,311	301,561	298,369
Health Services	155,369	164,252	166,635
Student Achievement & Assessment	91,336	144,553	150,780
Student Support Services & Records Maint.	188,297	222,606	249,120
Assistant Superintendent	238,917	264,417	250,481
Professional Development	19,112	27,967	28,081
Communications	74,673	107,540	164,003
Strategic Planning	407,188	290,000	
Subtotal	<u>3,456,602</u>	<u>3,652,848</u>	<u>3,474,825</u>

Facilities & Transportation			
Facilities	1,204,451	1,408,618	1,179,484
Custodial	2,796,571	3,123,581	3,065,625
Transportation	1,129,247	1,280,143	1,295,363
Subtotal	<u>5,130,269</u>	<u>5,812,342</u>	<u>5,540,472</u>
Total Administration & Centralized Services	8,586,871	9,465,190	9,015,297
Other			
Early Retirement Incentives	164,193	16,000	90,900
Textbook adoption	698,124	625,495	425,495
Leave payouts with benefits	282,847	255,000	255,000
BOCS SPED funding	330,727	369,915	431,374
BOCS SWAP passthru		100,820	100,820
Copier Leases	89,157	100,000	90,000
NWEA testing	17,736	30,000	30,000
Mill levy override expenditures	248,010	400,000	200,000
Contingency		500,000	500,000
Strategic Planning carryover funds			64,000
School carryover funds		150,000	150,000
Total	<u>34,092,338</u>	<u>37,749,958</u>	<u>36,873,029</u>
Transfers			
Health Insurance (Fund 64)	523,611		
Child Nutrition Program (Fund 51)	95,000	123,000	123,000
Pre-School Program (Fund 19)	548,980	520,708	520,731
Student Activities (Fund 23)	673,000	673,000	673,000
Insurance Reserve (Fund 18)	690,800	690,800	690,800
Capital Projects (Fund 43)	216,358	771,128	911,128
Total Expenditure and Transfers	36,840,087	40,528,594	39,791,688
Total Revenue	<u>40,539,870</u>	<u>38,227,702</u>	<u>37,806,176</u>
Excess of Revenue over Expenditures	3,699,783	(2,300,892)	(1,985,512)
Fund Balance, Beginning of Year	<u>5,735,564</u>	<u>9,435,347</u>	<u>8,527,285</u>
Fund Balance, End of Year	<u>9,435,347</u>	<u>7,134,455</u>	<u>6,541,773</u>
Percent of General Fund Revenue	23.27%	18.66%	17.30%
Ten Percent of General Fund Revenue	4,053,987	3,822,770	3,780,618

Durango School District 9-R
Insurance Reserve Fund (Fund 18)
Actual and Budgeted Expenditures
for the years ended 6/30/11, 6/30/12 and 6/30/13

	2011 Actual	2012 Amended Budget	2013 Recommended Budget
Revenue			
Transfer in from General Fund	690,800	690,800	690,800
Other Income			
Total Revenue	<u>690,800</u>	<u>690,800</u>	<u>690,800</u>
Expenditures			
Property and Casualty	216,079	220,000	220,000
Property and Casualty-Repairs/deductable	63,765	80,000	50,000
Worker's Comp	314,860	300,000	280,000
Salaries and Benefits	47,916	29,128	30,000
Purchased Services	12,794	45,872	50,000
Supplies	3,668	10,000	10,000
Unemployment	81,402	85,000	65,000
Safety	2,552		10,000
Total Expenditures	<u>743,036</u>	<u>770,000</u>	<u>715,000</u>
Excess of Transfer over Expenditures	(52,236)	(79,200)	(24,200)
Fund Balance, Beginning of Year	<u>199,586</u>	<u>147,350</u>	<u>260,000</u>
Fund Balance, End of Year	<u><u>147,350</u></u>	<u><u>68,150</u></u>	<u><u>235,800</u></u>

Durango School District 9-R
 Preschool Fund (Fund 19)
 Actual and Budget
 for the years ended 6/30/11, 6/30/12 and 6/30/13

	2011 Actual	2012 Approved Budget	2013 Recommended Budget
Transfer from General Fund	<u>548,980</u>	<u>520,708</u>	<u>520,731</u>
Total Revenue	<u>548,980</u>	<u>520,708</u>	<u>520,731</u>
Expenditures			
Salaries & Benefits	315,121	327,500	348,347
Purchased Services	154,381	175,000	160,403
General Administrative Costs	44,375	14,000	20,300
Equipment		1,000	5,000
Dues & fees		3,000	3,000
Instructional supplies	<u>5,054</u>	<u>20,000</u>	<u>20,000</u>
Total Expenditures	<u>518,931</u>	<u>540,500</u>	<u>557,050</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	30,049	(19,792)	(36,319)
Fund Balance, Beginning of Year	<u>59,987</u>	<u>90,036</u>	<u>95,000</u>
Fund Balance, End of Year	<u><u>90,036</u></u>	<u><u>70,244</u></u>	<u><u>58,681</u></u>

Durango School District 9-R
Grant Fund (Fund 22)
Actual and Budget
for the years ended 6/30/11, 6/30/12 and 6/30/13

	2011 Actual	2012 Approved Budget	2013 Recommended Budget
Revenue	<u>1,456,820</u>	<u>2,300,000</u>	<u>2,000,000</u>
Expenditures			
Labor and Benefits	899,578	950,000	1,000,000
Other	<u>557,242</u>	<u>1,350,000</u>	<u>1,000,000</u>
Total Expenditures	<u>1,456,820</u>	<u>2,300,000</u>	<u>2,000,000</u>
Excess of Revenue Over Expenditures	0	0	0
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, End of Year	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

Durango School District 9-R
 Interscholastic Activity Fund (Fund 23)
 Actual and Budget
 for the years ended 6/30/11, 6/30/12 and 6/30/13

	2011 Actual	2012 Amended Budget	2013 Recommended Budget
Revenues			
Fees	45,972	39,000	50,000
Gate Receipts	41,696	33,000	33,000
Transfer from General Fund	673,000	673,000	673,000
Total Revenue	760,668	745,000	756,000
Expenditures			
District		15,701	65,000
Miller	75,458	96,712	86,640
Escalante	76,044	102,052	86,640
High School	585,519	589,173	582,720
Total Expenditures	737,021	803,638	821,000
Excess of Revenue Over Expenditures	23,647	(58,638)	(65,000)
Fund Balance, Beginning of Year	34,991	58,638	65,000
Fund Balance, End of Year	58,638	0	0

Durango School District 9-R
Debt Service Fund (Fund 31)
Actual and Budget
for the years ended 6/30/11, 6/30/12 and 6/30/13

	2011 Actual	2012 Amended Budget	2013 Recommended Budget
Revenue			
Property Tax Revenue	7,619,529	7,200,000	7,200,000
Refunded Bond Proceeds/Prem.	29,826,260	19,530,000	
Payment in Lieu of Taxes	552,619	500,000	500,000
Total Revenue	<u>37,998,408</u>	<u>27,230,000</u>	<u>7,700,000</u>
Expenditures			
Bond Refunding Payment	29,632,546	19,386,000	
Early Payoff			2,035,000
Principal	4,925,000	5,045,000	5,240,000
Interest	3,057,657	3,060,000	2,864,714
Other	196,965	159,000	15,000
Total Expenditures	<u>37,812,168</u>	<u>27,650,000</u>	<u>10,154,714</u>
Excess of Revenue Over Expenditures	186,240	(420,000)	(2,454,714)
Fund Balance, Beginning of Year	<u>12,309,134</u>	<u>12,495,374</u>	<u>12,068,582</u>
Fund Balance, End of Year	<u><u>12,495,374</u></u>	<u><u>12,075,374</u></u>	<u><u>9,613,868</u></u>

Durango School District 9-R
 Capital Projects Fund (Fund 43)
 Actual and Budget
 for the years ended 6/30/11, 6/30/12 and 6/30/13

	Capital Reserve 2011 Actual	2012 Amended Budget	2013 Recommended Budget
Revenue			
Lease purchase			3,147,515
Sale of Fixed Assets	4,658		
State Historical Grant	57,659		86,489
Fee in Lieu of Land Dedication	38,488	20,000	20,000
Transfer from Capital Reserve	632,932		
Transfer from General Fund	216,358	771,128	911,128
Total Revenue	<u>950,095</u>	<u>791,128</u>	<u>4,165,132</u>
Expenditures			
Expenditures-prior year carryover	214,659	332,160	210,688
Expenditures-current year	264,077	733,968	4,058,643
Total Expenditures	<u>478,736</u>	<u>1,066,128</u>	<u>4,269,331</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	471,359	(275,000)	(104,199)
Fund Balance, Beginning of Year	<u>0</u>	<u>471,359</u>	<u>301,047</u>
Fund Balance, End of Year	<u><u>471,359</u></u>	<u><u>196,359</u></u>	<u><u>196,848</u></u>
Location			Project Budget
Facilities	Roof repairs		206,128
District	Miscellaneous projects		100,000
Technology	Obsolescence		180,000
Transportation	Bus		125,000
Durango High School	Track		300,000
District	Energy Savings project		3,147,515
11-12 Projects not completed by June 30			<u>210,688</u>
			<u><u>4,269,331</u></u>

Durango School District 9-R
Food Service Fund (Fund 51)
Actual and Budget
for the years ended 6/30/11, 6/30/12 and 6/30/13

	2011 Actual	2012 Amended Budget	2013 Recommended Budget
Revenues			
Food Sales	571,106	560,000	510,200
Federal Reimbursement	751,247	621,000	690,300
State Reimbursement	24,154	22,000	22,500
Other Revenue			
Transfer from General Fund	<u>95,000</u>	<u>123,000</u>	<u>123,000</u>
Total Revenues	<u>1,441,507</u>	<u>1,326,000</u>	<u>1,346,000</u>
Expenses			
Labor and Benefits	622,245	729,880	729,880
Purchased Service	14,916	13,670	33,670
Food	613,220	522,000	522,000
Depreciation	20,364	20,000	20,000
Other	<u>108,940</u>	<u>75,450</u>	<u>40,450</u>
Total Expenses	<u>1,379,685</u>	<u>1,361,000</u>	<u>1,346,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	61,822	(35,000)	0
Fund Balance, Beginning of Year	<u>17,014</u>	<u>78,836</u>	<u>43,836</u>
Fund Balance, End of Year	<u><u>78,836</u></u>	<u><u>43,836</u></u>	<u><u>43,836</u></u>

Durango School District 9-R
 After School Enrichment Program Fund (Fund 26 or 56)
 Actual and Budget
 for the years ended 6/30/11, 6/30/12 and 6/30/13

	Fund 26	Fund 56	
	2011 Actual	2012 Approved Budget	2013 Recommended Budget
Revenue			
Tuition	202,813	200,000	200,000
Total Revenue	<u>202,813</u>	<u>200,000</u>	<u>200,000</u>
Expenditures			
Labor and Benefits	151,786	156,240	155,740
Other	16,101	80,546	44,260
Total Expenditures	<u>167,887</u>	<u>236,786</u>	<u>200,000</u>
Excess of Revenue Over Expenditures	34,926	(36,786)	0
Fund Balance, Beginning of Year	<u>1,860</u>	<u>36,786</u>	<u>45,000</u>
Fund Balance, End of Year	<u><u>36,786</u></u>	<u><u>0</u></u>	<u><u>45,000</u></u>

Durango School District 9-R
 Health Insurance Fund (Fund 64)
 Actual and Budget
 for the years ended 6/30/11, 6/30/12 and 6/30/13

	2011 Actual	2012 Amended Budget	2013 Recommended Budget
Revenue			
Premium Payments	3,620,980	3,848,000	3,607,000
Interest Income	4,010		2,100
Transfer from General Fund	523,611		
Total Revenue	<u>4,148,601</u>	<u>3,848,000</u>	<u>3,609,100</u>
Expenditures			
Claims	2,564,040	3,438,000	3,215,100
Administrative fees	398,845	375,000	358,000
Other Costs	35,000	35,000	36,000
Contingency		750,000	750,000
Total Expenditures	<u>2,997,885</u>	<u>4,598,000</u>	<u>4,359,100</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,150,716	(750,000)	(750,000)
Fund Balance, Beginning of Year		<u>1,150,716</u>	<u>1,250,000</u>
Fund Balance, End of Year	<u><u>1,150,716</u></u>	<u><u>400,716</u></u>	<u><u>500,000</u></u>